

SUDBURY CONTACT MINES, LIMITED

ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual meeting of the shareholders of Sudbury Contact Mines, Limited ("the Company") will be held at Room No. 3, Main Mezzanine Floor, Royal York Hotel, 100 Front Street West, Toronto, Ontario on Tuesday, the 30th day of June, 1970 at the hour of 10:30 in the forenoon (Eastern Daylight Saving Time) for the following purposes:

- (1) To receive and consider the financial statements of the Company as at December 31, 1969, together with the report of the auditors thereon;
- (2) To elect directors;
- (3) To appoint auditors; and
- (4) To transact such further and other business as may properly come before the meeting or any adjournment or adjournments thereof.

DATED the 12th day of June, 1970.

By Order of the Board,

JEAN GELLER,
Secretary-Treasurer.

Shareholders who are unable to attend the meeting in person are requested to complete, date, sign and return the enclosed instrument of proxy.

SUDBURY CONTACT MINES, LIMITED

INFORMATION CIRCULAR

This Information Circular is furnished in connection with the solicitation by the management of Sudbury Contact Mines, Limited (the "Company") of proxies to be voted at the annual meeting of the shareholders of the Company called for the purposes set forth in the accompanying notice of meeting and to be held at Room No. 3, Main Mezzanine Floor, Royal York Hotel, 100 Front Street West, Toronto, Ontario on June 30, 1970, and at any adjournment or adjournments thereof. Solicitation will be by mail, possibly supplemented by telephone or other personal contact by the directors of the Company. The cost of such solicitation will be borne by the Company.

REVOCATION OF PROXY

A shareholder executing the accompanying instrument of proxy has the power to revoke it at any time before it is exercised by giving notice in writing of such revocation to the Secretary-Treasurer of the Company or to the Chairman of the meeting.

VOTING SHARES

The authorized capital of the Company consists of 6,000,000 shares with a par value of \$1.00 each of which 4,986,250 shares are presently outstanding. Shareholders of record at the time of the meeting are entitled to one vote for each share held.

To the knowledge of the directors and senior officers of the Company the only person or corporation which beneficially owns, directly or indirectly, more than 10% of the outstanding shares of the Company is Mentor Exploration and Development Co. Limited which owns 985,582 (19.8%) of the outstanding shares of the Company.

ELECTION OF DIRECTORS

It is proposed that the following persons will be nominated for election as directors of the Company. The following is information concerning the proposed nominees for election as directors. Information as to shares beneficially owned, not being within the knowledge of the Company, has been furnished by the respective directors individually. In the event that any vacancies occur in the proposed slate of nominees listed below prior to the annual meeting of shareholders, it is intended to exercise the discretionary authority conferred by the accompanying instrument of proxy to vote for the election of any other person or persons as directors. Management is not presently aware that any of such nominees would be unwilling to serve as a director if elected.

<u>Name</u>	<u>Other Positions and Offices Presently Held in the Company</u>	<u>Period in which Nominee has Served as Director of the Company</u>	<u>No. of Shares of the Company Beneficially Owned</u>	<u>Principal Occupation at Present and During Past 5 Years</u>
*Paul Penna	President	Since October 7, 1964	501	Executive, Jakmin Investments Limited.
*A. Basen	None	Since April 25, 1967	501	Executive, American Louver of Canada Limited.
R. F. Righton	None	Since December 9, 1966	1	Barrister, Shibley, Righton & McCutcheon.

<u>Name</u>	<u>Other Positions and Offices Presently Held in the Company</u>	<u>Period in which Nominee has Served as Director of the Company</u>	<u>No. of Shares of the Company Beneficially Owned</u>	<u>Principal Occupation at Present and During Past 5 Years</u>
W. L. Hogarth, Jr.	None	Since October 7, 1964	501	Executive, Associated Arcadia Nickel Corporation Limited.
*Samuel Geller	None	Since January 30, 1968	501	President, College Girls Coats Company Limited (until March 1968); Proprietor, Mayle's Mens & Boys Wear (March 1968 to date).
John L. Vorbach, Jr.	None	Since June 17, 1969	1	President, John L. Vorbach Inc.

*The nominees beside whose names an asterisk appears will be nominated to hold office for a term of two years from the date of their election or until the second annual meeting after such date, whichever later occurs, and the remaining nominees will be nominated to hold office for a term of one year from the date of their election or until the first annual meeting after such date, whichever later occurs.

Jakmin Investments Limited is engaged in the securities business as an underwriter and investment company.

American Louver of Canada Limited is engaged in the manufacture of plastic ceiling louvers.

Messrs. Shibley, Righton & McCutcheon is a firm of barristers and solicitors.

Associated Arcadia Nickel Corporation Limited is a mining company.

College Girls Coats Company Limited is no longer in business.

Mayle's Mens & Boys Wear is a retail clothing store.

John L. Vorbach Inc. carries on business as an insurance broker.

REMUNERATION OF MANAGEMENT

The aggregate direct remuneration paid or payable to the directors and senior officers of the Company, as such, during the financial year of the Company ended December 31, 1969 was \$150.

Jakmin Investments Limited provides head office, accounting and secretarial service to the Company at a fee of \$500 per month. For the financial year of the Company ended December 31, 1969 the fee for these services amounted to \$6,000. Mr. Paul Penna is the principal shareholder of Jakmin Investments Limited.

APPOINTMENT OF AUDITORS

Action is to be taken at the meeting with respect to the appointment of the firm of Starkman, Kraft, Rothman, Berger & Grill as the auditors of the Company.

GENERAL INFORMATION

Information contained herein is given as of June 5, 1970. Management knows of no matters to come before the annual meeting of shareholders other than the matters set forth in the enclosed notice of meeting. Receipt at the meeting of the financial statements of the Company as at December 31, 1969 and the report of the auditors thereon will not constitute approval or disapproval of such financial statements and report.

June 5, 1970.

**SUDBURY
CONTACT
MINES**

LIMITED



**SEMI
ANNUAL
REPORT**



FOR THE PERIOD ENDED JUNE 30
1970



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SUDBURY CONTACT MINES LIMITED

Executive and Head Office
Suite 1101, 365 Bay Street, Toronto, Ontario

To the Shareholders:

The comparative financial statement for the six months ended June 30, 1970, is attached.

Your Company is presently conducting exploration programs concentrated in the following three principal target areas:

1. The 30-claim property in the **Joutel Area of Quebec** where the recently completed geophysical surveys have indicated a conductive zone warranting an initial program of more than 2,000 feet of diamond drilling in three holes. Tenders are now being called for this drilling contract and early commencement is scheduled. This property is adjacent to the west of Rio Algom's Mines de Poirier copper producer.

2. The assemblage of 82 claims in the **Birch Lake Area, Northwestern Ontario** (about 20 miles northeast of Selco's base metal discovery at Confederation Lake) where surface prospecting is in progress on one claim group and diamond drilling is scheduled to commence this month on a second claim group.

3. The 35-claim property in **Montgomery Township, Ontario** (about 20 miles northwest of Blind River) where diamond drilling is presently in progress with the first two holes intersecting copper values. The current program is designed to test at a deeper horizon the previously outlined copper bearing shoots with a combined length of 960 feet averaging 2.65% copper across 5.6 feet.

A tentative budget of approximately \$150,000 is envisaged for the 1970 exploration program. The following is a description of your Company's properties in these three areas and the various programs either in progress or scheduled:

Joutel Area, Quebec

This group of 30 claims held under option to purchase is adjacent to the west of Rio Algom's Mines de Poirier. The new west copper orebody

at Mines de Poirier is located about 1200 feet east of the common boundary.

The recently completed deep penetrating electromagnetic survey together with magnetics carried out over the eastern portion of this large claim group was successful in locating a conductive zone, the axis of which apparently extends westerly for a distance of over a half-mile from the east or common boundary.

Reporting on the results of the surveys, exploration geophysical consultant J. B. Boniwell noted, in part, as follows:

"It (the conductor) has been resolved at its best on the extreme east boundary in a position that gives to it the very good chance of representing the westerly extension of one of the massive sulphide zones of the Mines de Poirier mineralization. Particularly is this so in view of the 750 gamma magnetic correlation the conductor exhibits at this point."

A geophysical compilation plotting this conductor and another which is parallel to the south, and a location map, is appended. Location of the initial three holes to test these geophysical indications is shown on the appended map.

As previously stated, tenders have been called for this preliminary drilling program.

Birch Lake Area, Northwestern Ontario

Prospecting consisting of stripping and rock trenching is currently being carried out over the conductive zones outlined by the EM survey completed last winter on the Company's 32-claim group designated Project 'A'.

Diamond drilling is scheduled to commence this month on the 25-claim group designated Project 'C' to test an anomalous zone that lies near the copper-nickel showings. The geophysical survey completed during the winter on the northern portion of this claim which contains the copper-nickel showing, obtained quite strong conductive effects.

Montgomery Township, Ontario

The resident engineer, Campbell Fox, P.Eng., carried out a reconnaissance examination of the Company's 35-claim property in Montgomery Town-

ship during April to spot the initial drill hole locations.

Work carried out many years ago located and tested two parallel copper bearing quartz veins some 600 feet apart. The main northern vein system was traced at intervals for 18,000 feet with both ends open. The south vein was traced for 2,500 feet and is up to 20 feet wide. The latter vein has received very little exploration attention to date.

Most of the earlier work was concentrated in the eastern part of the property where a series of shallow holes, principally to a depth of about 70 feet, outlined two shoots with a combined length of 960 feet averaging 2.65% copper across 5.6 feet. There is an interval of approximately 750 feet between these two shoots which was explored by only two holes with low copper values.

The current drilling program is designed to test the downward continuity of these copper bearing shoots to approximately 250 feet below surface. The first two holes in the present series which were spaced at 100-foot intervals, returned the following assays:

Hole No. 1	2.46% copper across 7.6 feet
Hole No. 2	3.94% copper across 5.6 feet

Additional holes will be drilled to further test vertical continuity of these shoots which are open to extension on strike at both ends as well as to depth.

As shown on the attached financial statement, working capital at June 30, 1970, was \$165,826.

On behalf of the Board of Directors,

“PAUL PENNA”

August 26, 1970.

President.

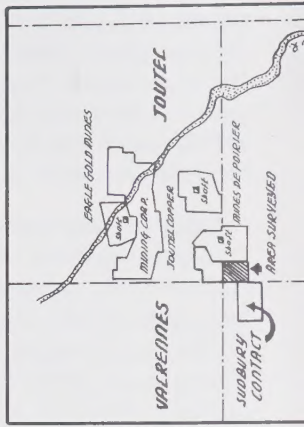
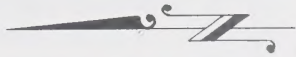
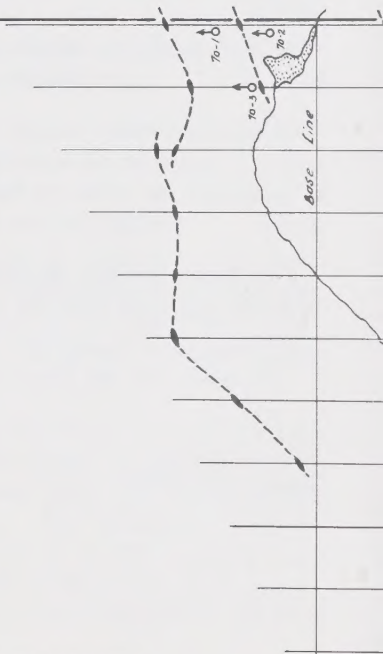
VALRENNES TWP
JOUTEC TWP

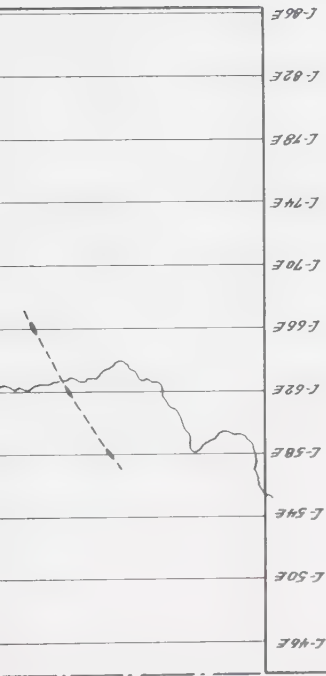
RAINBOTH TWP
POIRIER TWP

RIO ALGOM MINES LIMITED
(MINES DE POIRIER)

shaft

JOUTEC TWP
POIRIER TWP





LEGEND

- E.M. Conductor Axis
- 70-1 Proposed Diamond Drill Hole



SUDBURY CONTACT MINES LIMITED DOUCET-POIRIER OPTION RAINBOTH, POIRIER & JOUTEL TOWNS QUEBEC GEOPHYSICAL COMPILATION



SUDBURY CONTACT MINES LIMITED

Statement of Source and Application of Funds

FOR THE SIX MONTHS ENDED JUNE 30, 1970

*(With comparative figures for the six months ended
June 30, 1969)*

	<u>1970</u>	<u>1969</u>
SOURCE OF FUNDS	<u>Nil</u>	<u>Nil</u>
APPLICATION OF FUNDS		
Net loss for the period	\$ 11,020	\$ 10,428
LESS: Depreciation which does not in- volve an outlay of funds	\$(88)	(76)
Exploration expenditures ...	15,999	57,973
Option on mining claims ..	<u>4,000</u>	<u>7,500</u>
DECREASE IN WORKING CAPITAL	\$ 30,931	\$ 75,825
WORKING CAPITAL, beginning of period	<u>196,757</u>	<u>309,563</u>
WORKING CAPITAL, end of period	<u>\$ 165,826</u>	<u>\$ 233,738</u>
Current Assets ..	\$ 168,883	\$ 261,690
Current Liabilities	<u>3,057</u>	<u>27,952</u>
	<u>\$ 165,826</u>	<u>\$ 233,738</u>

SUDBURY CONTACT MINES LIMITED

Statement of Income

FOR THE SIX MONTHS ENDED JUNE 30, 1970

*(With comparative figures for the six months ended
June 30, 1969)*

	<u>1970</u>	<u>1969</u>
REVENUE		
Interest and dividends	\$ 13	\$ 544
EXPENSES		
Administration, office and ac- counting	\$ 3,000	\$ 3,000
Shareholders' information	964	3,076
Legal and audit	2,916	2,431
Transfer agents' fees	851	595
Directors' fees	100	150
Interest and bank charges	7	101
Depreciation, office furniture ...	88	76
Donations	75	675
Miscellaneous	1,289	1,866
	<u>\$ 9,290</u>	<u>\$ 11,970</u>
Profit (loss) on sale and revaluation of marketable securities	(1,743)	998
	<u>\$ 11,033</u>	<u>\$ 10,972</u>
NET LOSS FOR PERIOD	<u>\$ 11,020</u>	<u>\$ 10,428</u>

SUDBURY CONTACT MINES LIMITED

Statement of Mining Claims and Properties and Deferred Exploration Expenditures

FOR THE SIX MONTHS ENDED JUNE 30, 1970

*(With comparative figures for the six months ended
June 30, 1969)*

	1970	1969
COST OF MINING CLAIMS AND PROPERTIES, beginning of period	\$1,021,376	\$1,017,476
Options on mining claims acquired during period	4,000	7,500
	\$1,025,376	\$1,024,976
Options on claims written off ...	—	8,000
	\$1,025,376	\$1,016,976
DEFERRED EXPLORATION EXPENDITURES, beginning of period .	\$ 188,407	\$ 318,382
EXPENDITURES DURING PERIOD		
POIRIER AND RAINBOTH TOWNSHIPS		
Claim rental	\$ 489	\$ 540
Diamond drilling	—	49,735
Surveys and surface work	1,000	3,596
Consulting	1,200	3,452
General expenses	265	—
	\$ 2,954	\$ 57,323
RED LAKE MINING DIVISION		
Consulting	\$ 1,662	—
Travelling	739	—
Surveys	4,718	—
Prospecting and drilling	3,110	—
	\$ 10,229	—
OTHER PROPERTIES		
Licenses, fees and taxes	\$ 97	\$ 650
General and consulting .	2,719	—
	\$ 2,816	\$ 650
	\$ 15,999	\$ 57,973
	\$ 204,406	\$ 376,355
LESS: Exploration expenditures written off ...	—	196,131
DEFERRED EXPLORATION EXPENDITURES, end of period	\$ 204,406	\$ 180,224
MINING CLAIMS AND PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES, end of period	\$1,229,782	\$1,197,200

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